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MEMORANDUM FOR: Director of Central Intelligence

FROM : E. H. Knoche
Deputy Director of Central Intelligence

SUBJECT : Executive Advisory Group Activity with
Regard to Personnel Policy

1. Action Requested: None; for information only.

2. I mentioned to you late last week that the Executive Advisory Group (EAG) beginning last October and particularly during the last two months has been very actively involved in reviewing, modifying and fine tuning the Agency's personnel management system. Much of this activity resulted from an Attitudinal Survey undertaken in August of 1976. This survey, which was made from a carefully selected 25 percent sampling of our employees, was designed to measure employee perception of the Agency's personnel management system which had been drastically changed in January 1974. As a result, during the past six months the EAG has reviewed in detail such aspects of our personnel management policy as promotion criteria, grievance procedures, inter- and intra-Directorate rotation, letters of instruction from the supervisor to the employee, use of the Quality Step Increase, separation procedures, the state of morale in the Agency, the role of women in the Agency, the selection of key operating officials, the mix and balance of personnel in the Agency, the initial assignment and orientation of new employees, career development procedures, our policy with regard to marriage to aliens, the length of the probationary period for new employees, and supergrades. Actions resulting from these reviews have caused us to revise Agency regulations on promotion, grievance procedures, separation procedures and alien marriage.

3. In addition, the EAG studied what we might call the top executive positions in the Agency and selected some 40 of these for annual consideration to ensure that the Deputies had the opportunity for putting forward the names of employees in their respective career services who were either already

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able to fill any vacancies in these top positions, but also to note those individuals who with proper further development would be able to fill such jobs some three years hence.

4. Currently, the EAG is heavily involved with evaluating the supergrade population. We are doing this in part against the possibility that at some point in the future the Agency's ceiling of supergrades, as imposed by the Office of Management and Budget, may be cut either by OMB or the Congress. Also, this is the time of year for our supergrade promotion exercise, and since the number of recommendations to supergrade status exceeded our ceiling, and since I am aware of your desire for flexibility in bringing in individuals of your choice with supergrade rank, this was obviously the time to develop a policy with regard to the number of new supergrades against the size of ceiling we should keep open. You have in hand my recommendations on this subject. Last week we completed our review of the GS-18's as ranked by the Deputies and in fact discussed those falling in the upper and lower 20 percent. None of the latter fell in the low three percent category since all were making a valuable contribution. This week we will similarly look at the GS-17's, next week the GS-16's and three weeks hence the GS-15's. I intend these exercises to force a hard look at where we might be carrying senior personnel whose separation would benefit the Agency.

5. Further, on the subject of desired personnel flow in and out of the Agency, which, of course, also bears on the supergrade problem, the Director of Personnel at my direction and with the agreement of the EAG is presently reviewing those employees who were evaluated by grade in the bottom three percent in the five career services for the past three years to make sure that appropriate action has or is being taken to counsel, reassign, retrain or terminate. He is also reviewing those employees who are in Personal Rank Assignment (PRA) status. As you remember, promotions in this Agency are effected on the basis of excellence rather than the grade of the job. This means that we always have a certain number of employees graded above the position which they momentarily occupy. Our policy is not to promote above the grade of the position unless the career service has in fact a plan to move the employee into a suitably graded position within a two-year period. As a result of this year's Annual Personnel Plan we found that the number of PRA's had been increasing annually over the past several years to a worrisome extent. We were particularly aware that much of this increase was the result of the career services not following the two-year procedure and we therefore directed

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the Office of Personnel to review the individual PRA's with a view to correcting the current imbalance by 1 September. We will of course be most interested in any employees who might have been both PRA's and in the bottom three percent category. You should understand that some of our employees in the bottom three percent are competent individuals -- often specialists -- who are valuable contributors to our day-to-day requirements even though they may have leveled off at their present grade and are neither aspiring nor in competition for higher level responsibility. To facilitate the flow out by retirement, I will be instituting a voluntary/involuntary retirement exercise from 15 July through the end of the fiscal year. This management tool permits the Deputies to "surplus" employees either across the board or in specific categories depending on where there is indeed a surplus situation as compared with ceiling. Thus, individuals who desire to retire but have not attained the required age can in fact leave through the surplus route during the prescribed period. We have recently sought and received Civil Service Commission approbation for this tool.

6. You have mentioned the need for an Agency-wide panel system to evaluate all of our professional employees. This is a subject which the EAG will also address. I am sure you are aware that the career services each have such a panel/board system and indeed in some cases it extends to our clerical service. I believe that this panel system works well and to the advantage of our most talented employees. There is merit to doing such evaluations on a career service basis since the smaller numbers evaluated by career service as opposed to Agency-wide panels permit a greater first-hand knowledge of the individuals evaluated and also facilitate the comparison of employees in similar types of positions, such as Research Analysts in the Directorate of Intelligence, Operations Officers in the Directorate of Operations, and scientifically trained personnel in the Directorate of Science and Technology.

7. We expect that this EAG concentration on personnel policy will have salutary effects on the kinds of problems raised by [] and also raised at your meetings with various groups of employees. I think we should plan another Office of Personnel Attitudinal Survey in early 1978 to give us a reading.

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Signed

E. H. Knoche

- 3 -

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Next 1 Page(s) In Document Exempt

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